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FISCAL IMPACT STATEMENT

LS 6587

BILL NUMBER: HB 1221

NOTE PREPARED: Jan 29, 2004

BILL AMENDED: Jan 29, 2004

SUBJECT: Insurance Coverage for Infertility.

FIRST AUTHOR: Rep. Young D

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that the State Personnel Department (SPD) must consider providing coverage for the diagnosis and treatment of infertility, and that a health insurer, and a health maintenance organization must offer coverage for the diagnosis and treatment of infertility.

Effective Date: July 1, 2004.

Explanation of State Expenditures: (Revised) The bill provides that the SPD must consider providing coverage for the diagnosis and treatment of infertility. This bill also requires group health insurance policies and HMO plans to offer coverage for the diagnosis and treatment of infertility.

Background: As of August 2003, the state employed approximately 37,316 people with six insurance providers. For 2004, four insurance providers (M-Plan, Arnett, Advantage, and Anthem) will provide health insurance coverage. *If* coverage were provided, additional costs for state employees are estimated at between \$3 to \$6 per member per month. Applying these estimates, increased costs would range from \$1.3 M to \$2.7 M. *However, any additional costs would be dependent on administrative action.* In addition, any cost increases may not necessarily imply additional budgetary outlays since the state's response to increased health benefit costs may include (1) greater employee cost sharing in health benefits; (2) reduction or elimination of health benefits; and (3) passing costs onto workers in the form of lower wage increases than would otherwise occur. It is unknown at this time if the state would absorb added costs or pass the costs on to employees.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) Local government groups enrolled in the Local Unit

Government Employees (LUGE) health plan may experience increased costs if coverage is provided. LUGE participants have the same benefits as state employees, but are part of a separate risk pool. Currently, 28 local government groups are enrolled in the plan, providing coverage for 868 employees.

In addition, school corporations and local governments purchasing health benefit coverage on their own could incur increased premiums if coverage is provided. The specific impact is indeterminable, but would depend on current health care coverage and local administrative action. It is unknown if local units would absorb this cost or pass the cost on to employees, as cost sharing of health benefit premiums varies widely by locality.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: Local Governments and School Corporations.

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